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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

MAY 22 1992

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992.

Commission file number 0-18182

URETHANE TECHNOLOGIES, INCORPORATED

(Exact name of Registrant as specified in its charter)

Nevada	33-0126369
(State of incorporation)	(I.R.S. Employer Identification No.)

7 Whatney, Irvine, California 92718
(Address of principal executive offices) (Zip Code)

(714) 837-0800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports,, and (2) has been subject to such filing requirements for the past 90 days. YES X NO ____

Number of shares outstanding of each of the registrant's classes of common stock, as of May 20, 1992: 7,081,794 shares of common stock, $.01 par value.

The exhibit index to this report appears at page 10 of 17 consecutively numbered pages.

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Part 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Urethane Technologies, Inc.

CONSOLIDATED BALANCE SHEET

Assets

	3/31/92 (unaudited)	12/31/91
Current assets:		
Cash	$ 684,136	$ 1,231,494
Restricted cash	0	250,000
Accounts receivable (net of reserve for doubtful accounts)	95,100	139,483
Inventories	290,638	262,697
Product deposits	20,227	18,036
Prepaid expenses	25,811	16,022
Total current assets	1,115,912	1,917,732
Equipment & leasehold improvements:		
Manufacturing equipment	1,071,216	1,019,632
Office equipment	31,349	31,349
Leasehold improvements	39,798	39,798
Total	1,142,363	1,090,779
Less accumulate depreciation	(380,336)	(333,876)
Net equipment and leasehold improvements	762,027	756,903
Other Assets:		
Patents, net of amortization	33,106	34,152
Deferred offering costs	139,858	0
Other	74,250	60,435
Total Assets	$ 2,125,153	$ 2,769,222

See notes to consolidated financial statements

Part 1. FINANCIAL INFORMATION

ITEM 1. Financial Statements
Urethane Technologies, Inc.

CONSOLIDATED BALANCE SHEET

Liabilities and Stockholders' Equity

	3/31/92 (unaudited)	12/31/91
Current liabilities:		
Accounts payable - trade	$ 299,314	$ 200,062
Other	190,346	122,074
Note payable	0	250,000
Deposits	248,500	100,000
Total current liabilities	738,160	680,136
Settlement Payable	500,000	0
Minority interest in consolidated joint venture	992,135	999,813
Stockholders' equity:		
Common stock	70,099	70,099
Capital in excess of par value	6,047,936	6,047,935
Accumulated deficit	(6,223,177)	(5,028,761)
Total stockholders' equity	(105,142)	1,089,273
Total liabilities and stockholders' equity	$ 2,125,153	$ 2,769,222

See notes to consolidated financial statements

URETHANE TECHNOLOGIES, INC.

Consolidated Statements of Operations
(unaudited)

	Three Months Ended 3/31/92	3/31/91
Revenues:		
Chemicals and related products	$ 292,846	$ 263,240
Equipment	22,300	11,211
Research and development	8,508	11,414
	323,654	285,965
Operating expenses:		
Cost of sales	296,144	261,434
Selling, general & administrative	696,442	252,442
Research and development	48,913	0
Loss from operations	(717,845)	(227,911)
Other income (expense):		
Interest in joint venture	7,677	0
Interest income	8,853	3,389
Estimated litigation settlement	(500,000)	0
Other	6,900	0
Other income (expense)	(476,570)	3,389
Net loss	$(1,194,415)	$ (224,522)
Net loss per share	$ (0.17)	$ (0.08)
Weighted average number of shares outstanding	7,009,904	2,743,277

See notes to consolidated financial statements

URETHANE TECHNOLOGIES, INC.

Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended 3/31/92	3/31/91
Cash flows from operating activities:		
Net loss	$(1,194,415)	$ (224,522)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation and amortization	48,731	18,564
Minority interest	(7,678)	0
Estimated lit. settlement	500,000	
Reserve for doubtful accounts	157,800	0
Changes in operating assets and liabilities:		
Accounts receivable	(113,417)	33,955
Inventories	(27,941)	44,288
Notes receivable	0	(998,000)
Product deposits	(2,191)	(15,000)
Prepaid expenses	(9,789)	(20,670)
Accounts payable	91,252	(3,294)
Other liabilities	68,272	5,369
Deposits	148,500	(5,000)
Net cash used by operating activities	(340,876)	(1,164,310)
Cash flows provided (used) by investing activities:		
Fixed asset additions	(51,584)	(11,856)
Restricted cash	250,000	0
Other assets	(154,098)	2,178
Net cash provided (used) by investing activities	43,318	(9,678)
Cash flows provided (used) by financing activities:		
Retirement of note payable	(250,000)	0
Proceeds from issuance of common stock	0	1,143,496
Net cash provided (used) by financing activities	(250,000)	1,143,496
Net decrease in cash	(547,358)	(30,492)
Cash at beginning of period	1,231,494	259,776
Cash at end of period	$ 684,136	$ 229,284

See notes to consolidated financial statements

URETHANE TECHNOLOGIES, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) General Information

The consolidated financial statements include the accounts of Urethane Technologies, Incorporated, its 100 percent owned subsidiary, Carousel Group, Inc., a California corporation, and Carousel's 50 percent interest in Sole Associates J.V., collectively referred to as "the Company." All intercompany transactions and balances are eliminated in consolidation.

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and, in the opinion of the Company, reflect all adjustments (consisting only of normal recurring adjustments) and disclosures which are necessary for a fair presentation. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. It is suggested that these condensed financial statements be read in conjunction with the audited financial statements, accounting policies and the notes thereto and management's discussion and analysis of financial condition and results of operations included in the Company's latest Annual Report on Form 10-K for the year ended December 31, 1991. The results of operations for the three month period ended March 31, 1992 are not necessarily indicative of the results for the full year.

(2) Cash

Approximately $420,216 of the Company's cash balance on March 31, 1992 was attributable to Sole Associates J.V. and, as a result, was not generally available to the Company for working capital or other general corporate purposes.

(3) Restricted Cash and Note Payable

The restricted cash amount represented a certificate of deposit held as collateral for a $250,000 note payable to a bank. The funds in the certificate of deposit were used to repay the note payable in February 1992.

(4) Allowance for Doubtful Accounts

During the quarter ended March 31, 1992, an amount of $157,800 was set aside for accounts deemed by management to be uncollectible.

(5) Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market, and consist principally of raw materials and equipment used in the blending of chemicals and production of polyurethane products.

(6) Revenue Recognition

Revenues are recognized at the time goods are delivered, or in the case of research and development contracts, when the services are provided.

(7) Net Loss per Common Share

Net loss per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Share and per share amounts have been adjusted for a 1 for 10 reverse stock split effected in November 1991.

(8) Litigation

The Company is the defendant in a legal action brought by JDL Marketing ("JDL") on July 30, 1991. On March 30, 1992, a default judgment in the amount of $5,030,000 was entered against the Company. The amount of this default judgment substantially exceeded the net worth of the Company. However, on May 20, 1992, the Company and JDL agreed to settle the lawsuit. Under the settlement the Company will issue JDL 138,889 shares of Common Stock. The Company has recorded as settlement expense the value of the shares to be issued to JDL.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Both chemical and equipment related revenues increased in the first quarter of 1992 over the chemical and equipment related revenues in the corresponding prior period. Chemical revenues and equipment revenues grew by 11% and 99%, respectively, as sales to existing customers increased over the first quarter of 1991. Research and development related revenues, which are a relatively small percentage of overall sales, declined by $2,906, or 25%, due to the completion of existing projects in 1991 without customer commitments to fund further research in 1992. Overall, revenues in the first quarter increased by $37,689, or 13%, from the prior year's first quarter.

Cost of sales in the first quarter increased by $34,710, or 13%, from the prior year's first quarter, reflecting the 13% revenue increase discussed above. As a percentage of revenues, cost of sales remained at 91% for the first quarter of both 1991 and 1992.

Selling, general and administrative expenses increased by $444,000, or 176%, over the corresponding prior period, due to staffing increases in administration and in the technical sales and development group, a $157,800 allowance for doubtful accounts, and an increase in legal and accounting fees to $102,209 in the first quarter of 1992 from $2,634 in the first quarter of 1991. The increase is due to the Company's having commenced work on its annual audit earlier in the current year than in the prior year, and to significant legal expenses incurred in connection with the Company's acquisition of its subsidiary. Additional expenditures related to a planned public offering have been recorded as deferred offering costs, a non-current asset on the Company's balance sheet.

Other expenses for the first quarter of 1992 also include a non-recurring expense of $500,000, which represents the value attributable to the shares of the Company's common stock to be issued by the Company to JDL Marketing in settlement of pending litigation brought against the Company by that sales representative of the Company. See "Legal Proceedings."

The Company also recognized $48,913 of research and development related expenses in the first quarter of 1992. This new expense category reflects research and development activities which were not funded by customers under research and development contracts.

As a result of the small increase in revenues and the significant growth in operating expenses described above, the net loss for the first quarter of 1992 was $(1,194,415), or $(0.17) per share, on revenues of $323,654, compared to a net loss of $(224,522), or $(0.08) per share, on revenues of $285,965 in the corresponding prior period.

Liquidity and Capital Resources

The Company is not generating sufficient cash flow to fund its operations. The Company historically has financed its working capital requirements through borrowings, principally from shareholders, and the issuance of shares of common stock. Working capital was $377,752 at March 31, 1992, a decrease of 69% from the $1,237,596 of working capital at December 31, 1991. However, the March 31, 1992 current assets included $420,216 in cash attributable to the Company's 50% interest in Sole Associates J.V., which was not generally available to the Company for working capital or other general corporate purposes. The December 31, 1991 current assets had included $433,532 attributable to Sole Associates J.V. The Company does not currently have any material commitments for capital expenditures.

The Company's financial statements have been prepared assuming that the Company will continue as a going concern, notwithstanding that its recurring losses from operations, its accumulated deficit, and certain litigation still pending against the Company raise substantial doubt about the Company's ability to continue as a going concern. The Company's plan for addressing its ability to continue as a going concern is to offer and sell 870,000 shares of Common Stock in a contemplated public offering (the "Planned Offering"). The Planned Offering would be preceded by a .72 for 1 reverse stock split, so that the 870,000 shares would be equivalent to 1,208,333 current shares. The Company is dependent on the proceeds of the Planned Offering, or other financing, in order to continue in business. On May 4, 1992 the Company filed a registration statement with the Securities and Exchange Commission relating to the Planned Offering.

Consummation of the Planned Offering is conditioned upon the settlement of the JDL litigation on terms satisfactory to the Company and the underwriter for the Planned Offering. The Company entered into an agreement on May 20, 1992 to settle the JDL litigation. The underwriter for the Planned Offering has indicated its approval of the terms of that agreement. The settlement calls for the Company to issue 100,000 shares of common stock (after the .72 for 1 reverse stock split) to the plaintiff, and the liability item "Settlement Payable" represents the value of such shares. Although such shares are expected to be issued within the current fiscal year, that liability is not classified as a current liability because it is to be satisfied with common stock, rather than from current assets. Accordingly, the liability for the Settlement Payable is expected to be reclassified to Capital in Excess of Par Value upon issuance of the stock. See "Legal Proceedings."

In April 1992, the Company arranged a short-term working capital credit line with the National Bank of Southern California (the "Bank") in the principal amount of up to $400,000. Advances under the line will be due in July 1992 and bear interest at the rate of 6.25% per annum. As of May 20, 1992, the Company had drawn $75,000 from such line of credit. The Company anticipates that it will utilize substantially all of the line of credit prior to the consummation of the Planned Offering. The line of credit is secured by a certificate of deposit furnished by Sole Associates. The Company's agreement with the Bank prohibits the Company, among other things, from incurring additional indebtedness or creating a security interest in its assets, merging or consolidating with another entity, paying cash dividends on its Common Stock, or acquiring any interest in another entity. The Bank has advised the Company that the line of credit remains available notwithstanding the default judgment entered against the Company.

The Company anticipates, based on currently proposed plans and assumptions relating to its operations (including the timetable of, and costs associated with, new product development), that the proceeds of the Planned Offering, together with projected cash flow from operations, will be sufficient to repay amounts borrowed under the Bank credit line and to satisfy the Company's contemplated cash requirements for at least 12 months following the consummation of the Planned Offering. In the event that the Company's plans change, its assumptions change or prove to be inaccurate or if the proceeds of the Planned Offering or projected cash flow prove to be insufficient to fund operations (including due to unanticipated expenses, technical problems or difficulties or otherwise), the Company could be required to seek additional financing sooner than anticipated. Other than the Company's short-term line of credit with the Bank, the Company has no current arrangements with respect to, or sources of, additional financing and it is not anticipated that existing shareholders will provide any portion of the Company's future financing requirements. There can be no assurance that any such additional financing will be available to the Company on acceptable terms or at all. In view of the Company's limited resources, its anticipated expenses and the competitive environment in which the Company operates, any inability to obtain additional financing could have a material adverse effect on the Company, including possibly requiring the Company to curtail significantly or cease its operations.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On May 20, 1992, the Company agreed with JDL to settle a lawsuit brought against the Company by JDL, which lawsuit is pending in the Fourth Judicial District Court, Utah County, Utah. JDL, an independent sales representative of the Company, had obtained a default judgment against the Company in the approximate amount of $5,000,000. The default judgment, which was entered on March 30, 1992, was based solely on the failure of the Company's attorney to advise the Company of a court-mandated deadline for responding to an initial set of interrogatories and document requests from JDL, and the subsequent failure to meet that deadline. The court-imposed deadline was missed entirely as a result of the neglect of the Company's counsel in the case, and the default judgment did not represent any finding by the court on the merits of JDL's claims in the case.

Under the settlement the Company will issue JDL 100,000 shares of common stock (after adjustment for the anticipated .72 for 1 stock split) concurrently with the completion of the Planned Offering, or on October 1, 1992, whichever first occurs. The Company will use its best efforts to register these shares together with those included in the Planned Offering. If the shares are issued concurrently with completion of the Planned Offering, 75,000 of the 100,000 shares will be non-transferable for limited periods. The transfer restrictions will be lifted in three 25,000-share increments four months, eight months and twelve months after issuance of the shares.

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibit is filed:

		Page
19.1	Form of Settlement Agreement dated May 20, 1992	12

(b) During the quarter ended March 31, 1992, the Company filed with the Securities and Exchange Commission two reports on Form 8-K. The first such report was dated January 17, 1992, and reported information under Item 2. The second such report was dated February 27, 1992, and reported information under Item 4. The latter report was amended under cover of a Form 8 filed March 19, 1992. No financial statements were filed with any of such reports.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

URETHANE TECHNOLOGIES, INCORPORATED

Date: May 21, 1992

Edward L. Morrisroe, Chief Financial Officer
and Secretary - Treasurer

SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT entered into this 20th day of May, 1992, by and between JDL MARKETING, a Utah General partnership (hereinafter "JDL"), and URETHANE TECHNOLOGIES, INCORPORATED, formerly known as UTI Chemicals, Inc., a Delaware Corporation (hereinafter "UTI").

RECITALS:

A. JDL commenced a civil action against UTI in the Fourth Judicial District Court in and for Utah County, State of Utah, Civil No. 910400490CN, on or about July 29, 1991 (herein the "Civil Action").

B. JDL has obtained the following Orders and Judgments against UTI in the Civil Action: (i) Order and Judgment dated February 26, 1992 in the principle sum of $100.00; and (ii) Order and Judgment dated March 30, 1992 in the principal sum of $5,032,500 (both Orders being collectively referred to as the "Orders and Judgments").

C. UTI has filed in the Civil Action its Motion to Set Aside Default Judgment and asserts that the Order and Judgment dated March 30, 1992 was improperly entered and that UTI, among other reasons, is entitled to have such Judgment set aside as a result of UTI's and its prior counsel's excusable neglect.

D. JDL has filed in the Civil Action its Memorandum in Opposition to such Motion to Set Aside Default Judgment and asserts that UTI is not entitled to relief from such Order and Judgment dated March 30, 1992.

E. There is now pending with the Securities & Exchange Commission a registration for 1,000,500 shares of UTI's capital common stock ($0.01 par value) proposed to be publicly offered through Whale Securities Co., L.P.;

F. The parties have elected to compromise JDL's claims, to vacate the Orders and Judgments identified in paragraph 1 above, and to dismiss the Civil Action in exchange for the delivery to JDL of UTI's common stock worth $500,000 (provided the same is registered and unrestricted, except for a restriction regarding the date of sale), all in accordance with the terms and conditions herein contained.

Exhibit 19.1

NOW, THEREFORE, in consideration of these recitals and for good and valuable consideration, the parties hereto agree as follows:

1. CONSIDERATION TO JDL. UTI agrees to issue and deliver to JDL (or one or more designees of JDL), in accordance with the terms herein, 100,000 duly authorized, non-assessable shares of the common capital stock ($.01 par value) of UTI (the "Subject Stock"). UTI shall, at its sole cost and expense, use its best efforts to register the Subject Stock with the Securities & Exchange Commission under the Securities Act of 1933, as expeditiously as possible, in addition to, and as part of, the pending registration of 1,000,000 shares now proposed to be publicly offered. In the event UTI, despite its best efforts, is unable to register the Subject Stock on or before October 1, 1992, UTI shall be relieved of the obligation to use any further efforts to seek registration. In such event, the stock to be issued and delivered to JDL shall bear a restrictive legend pursuant to S.E.C. Rule 144. In the event that UTI is able to register the Subject Stock but the Securities & Exchange Commission requires, as a condition to further distribution, that a prospectus be delivered with each distribution from JDL, UTI shall, at its sole cost and expense, keep the prospectus current for a period through September, 1993.

2. DELIVERY TO JDL.

A. Upon registration or October 1, 1992, whichever first occurs (hereinafter the "Delivery Date"), UTI shall deliver to JDL (or its designee) twenty-five thousand (25,000) shares of the Subject Stock;

B. On the Delivery Date UTI shall deliver to JDL (or its designee) seventy-five thousand (75,000) shares of the Subject Stock in such names as JDL may designate, in three groups of certificates, each group consisting of twenty-five thousand (25,000) shares. These groups of certificates shall bear legends restricting their sale or other distribution until the respective dates set forth in subparts (i) through (iii) to this subparagraph B:

(i) as to the first group, four months after the Delivery Date or November 1, 1992, whichever first occurs;

(ii) as to the second group, eight months after the Delivery Date or March 1, 1993, whichever first occurs; and

(iii) as to the third group, twelve months after the Delivery Date or July 1, 1993, whichever first occurs.

In the event UTI is unable, despite its best efforts, to effect registration of the Subject Stock, the legends called for in this subparagraph B shall not be added to the certificates.

3. CLOSING. On the delivery date, simultaneously with the delivery to JDL of the subject stock, JDL shall deliver to UTI's Utah legal counsel the Stipulation and Order Vacating the Order and Judgments and dismissing the Civil Action (in the form attached hereto) executed and approved as to form by JDL's legal counsel for filing with the Court.

4. EXCLUSIVE MARKETING AGREEMENT. As additional consideration to JDL for settlement of the Civil Action, JDL and UTI, and each of them, confirm the existence and continued enforceability of that certain Exclusive Marketing Agreement dated February 13, 1991, by and between JDL and UTI and attached to JDL's Complaint as Exhibit "C") provided, however, that JDL waives and releases UTI of any and all claims for commissions or other remuneration under the terms of such Agreement which may have accrued prior to the date hereof.

5. MUTUAL RELEASE. A. Contingent upon receipt of the UTI Stock as provided in this Agreement and except with respect to the obligations undertaken in this Agreement or provided in paragraph 4 above, JDL herewith and hereby releases, acquits and forever discharges UTI, and its agents, successors, and assigns, from any and all claims, demands, damages, liabilities, choses in actions and responsibilities of every kind and nature whatsoever, whether known or unknown and whether existing now or in the past or arising in the future under and arising out of or related to:

(i) the Civil Action; and

(ii) any and all other claims, debts, demands, damages, liabilities and responsibilities of every kind and nature whatsoever, whether known or unknown, existing now or in the past or arising in the future, under, arising out of or related to claims for commissions, remuneration or damages arising out of or breach of any agreement prior to the date hereof.

B. UTI herewith and hereby releases, acquits and forever discharges JDL and its officers, employees, agents, successors and assigns, and their respective, general partners, personal representatives, heirs and devisees, from any and all claims, demands, damages, liabilities, choses in action, and responsibilities of every kind and nature whether known or unknown and whether existing now or in the past or arising in the future under and arising out of or related to:

(i) the Civil Action; and

(iii) any and all other claims, debts, demands, damages, liabilities and responsibilities of every kind and nature whatsoever, whether known or unknown, existing now or in the past or arising in the future, under, arising out of or related to the performance of any agreements with JDL prior to the date hereof.

C. Each party hereto represents and certifies that it has executed this Settlement Agreement with full knowledge of any and all rights which it has and that it does not rely and has not relied upon any representations made by any of the parties hereto or any of their attorneys with regard to this Settlement Agreement or the basis thereof. JDL and UTI each have had the independent advice of their respective counsel and have executed this Settlement Agreement after independent consultation with said counsel, and without threat, duress, or undue influence. Subject to the foregoing exception, each of the parties hereto hereby assumes the risk of any mistake of fact on its part in connection with the facts involved herein and with regard to any facts which are now unknown to it. In this connection, each party hereto hereby expressly waives to the fullest extent permitted by law all provisions, rights and benefits of section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

6. MISCELLANEOUS PROVISIONS.

6.1 NOTICES. All notices and other communications required by the terms of this Stipulation shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by certified or registered U.S. mail, return receipt requested,

postage prepaid, and addressed to JDL or to UTI at the respective addresses set forth below or at such other address as JDL or UTI, as the case may be, may hereafter designate by notice to the others as herein provided.

(a) If to JDL, to:

JDL Marketing
426 East 2100 North
Provo, Utah 84604

with a copy to:

Dennis K. Poole, Esq.
Dennis K. Poole & Associates, P.C.
4885 South 900 East, Suite 306
Salt Lake City, Utah 84117

(b) If to UTI, to:

Urethane Technologies, Incorporated
7 Whatney
Irvine, California 92718

with a copy to:

Warren Patten, Esq.
Fabian & Clendenin
215 South State Street
P.O. Box 510210
Salt Lake City, Utah 84151

If personally delivered, all notices and other communications under this Agreement shall be deemed to have been given and received and shall be effective when so delivered. If sent by mail in the form herein specified, all notices and other communications hereunder shall be deemed to have been given and received upon deposit and postmark in the U.S. mail.

6.2. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

6.3. Captions. The paragraph headings contained in this Agreement are for the purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Agreement.

6.4. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

6.5. Attorneys' Fees. If any action is brought because of any breach of or to enforce or interpret any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys' fees and court costs incurred in connection therewith, the amount of which shall be fixed by the court and made a part of any judgment rendered.

6.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which shall together constitute one and the same instrument.

6.8. Waiver. Acceptance by either party of any performance less than required hereby shall not be deemed to be a waiver of the rights of such party to enforce all of the terms and conditions hereof. No waiver of any such right hereunder shall be binding unless reduced to writing and signed by the party to be charged therewith.

6.9. Time. Time is of the essence with respect to all time periods contained herein.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above appearing.

JDL MARKETING, a Utah general partnership

By _____
Jack Angus, General Partner

By _____
Dane Iorg

URETHANE TECHNOLOGIES, INCORPORATED, a Delaware Corporation

By _____
Its President

jdluti.agr (dkp)

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